

STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
GREG JOHN CAMPBELL,) Case No. AP-13-01
)
Respondent.)
)
Serve: Greg John Campbell at:)
c/o Adam D. Fein)
Rosenblum, Schwartz, Rogers & Glass, P.C.)
120 South Central Avenue, Suite 130)
Saint Louis, Missouri 63105)

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State ("Enforcement Section"), through Assistant Commissioner Mary S. Hosmer, has alleged that Greg John Campbell ("Campbell" or "Respondent"), in connection with the offer, purchase or sale of securities engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person, and engaged in dishonest or unethical practices in the securities business, and that these activities constitute a violation of Section 409.5-501, RSMo. (Cum. Supp. 2011), and constitute grounds to bar, revoke, suspend, condition or limit Respondent's registration in Missouri pursuant to Section 409.4-412, RSMo. (Cum. Supp. 2011).
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the above activities under Section 409.4-412, RSMo. (Cum. Supp. 2011).

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities ("Commissioner") has jurisdiction over the Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*

4. Respondent and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2011), which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondent waives Respondent’s right to a hearing with respect to this matter.
6. Respondent waives any right that Respondent may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.

CONSENT TO COMMISSIONER’S ORDER

7. Respondent and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
8. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent’s (a) testimonial obligations; (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
9. Respondent agrees that Respondent is not the prevailing party in this action since the parties have reached a good faith settlement.
10. Respondent neither admits nor denies the allegations made by the Enforcement Section, but consents to the Commissioner’s Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

COMMISSIONER'S FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

11. Campbell was a Missouri-registered broker-dealer agent with Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill"), from June 16, 2006 to October 29, 2011, and was located at the Merrill branch office at 8325 Forsyth Boulevard, Clayton, Missouri 63105. Campbell was registered in Missouri through the Central Registration Depository System ("CRD") with number 4732999. Campbell's current mailing address is 20 Ladue Ridge Road, Ladue, Missouri 63124.
12. Campbell was a Missouri-registered broker-dealer agent with LPL Financial, LLC ("LPL"), from November 2, 2011 to October 31, 2012, and was located at the LPL branch office at Three City Place Drive, Suite 590, Creve Coeur, Missouri 63141.
13. A check of the CRD records indicates Campbell has not been registered as a broker-dealer agent in Missouri since October 31, 2012.
14. Merrill is a Missouri-registered broker-dealer with a home office address of One Bryant Park, New York, New York 10038. Merrill is registered in Missouri through the CRD with number 7691. On January 1, 2009, Merrill became a wholly owned subsidiary of Bank of America Corporation ("BOA").
15. LPL is a Missouri-registered broker-dealer with a home office address of 75 State Street, 24th Floor, Boston, Massachusetts 02109. LPL is registered in Missouri through the CRD with number 6413.
16. On October 26, 2012, representatives of Merrill contacted the Enforcement Section regarding Campbell's activities in certain customer accounts.
17. Between November 2012 and January 2013, investigators with the Enforcement Section interviewed, and received emails and documents from, a sixty-one (61) year-old Lowell, Massachusetts resident ("MAR1") and MAR1's sibling, a sixty-seven (67) year-old Lowell, Massachusetts resident ("MAR2") and received documents from Merrill regarding the accounts of MAR1 and MAR2.
18. Since at least 2006, MAR1 and MAR2 had securities accounts at Merrill.
19. During his employment at Merrill, Campbell was the registered agent on three (3) Merrill accounts for MAR1:
 - a. a Cash Management Account ("CMA");
 - b. a Roth Individual Retirement Account ("Roth IRA"); and

- c. a traditional Individual Retirement Account ("IRA").
20. During his employment at Merrill, Campbell was the registered agent on two (2) Merrill accounts for MAR2:
 - a. a CMA; and
 - b. an IRA.
 21. In 2008, MAR1 began receiving account statements from Merrill for a Loan Management Account ("LMA") opened in the name of MAR1 and MAR2.
 22. An LMA is a demand line of credit offered to Merrill clients by BOA through the Merrill agent. An LMA gives the client the ability to use the client's securities accounts as collateral to borrow funds.
 23. Neither MAR1 nor MAR2 authorized Campbell to open an LMA on their behalf at Merrill. In addition, neither MAR1 nor MAR2 requested any loans from Merrill or BOA through the LMA.
 24. In 2008, the listed addresses for both MAR1's and MAR2's accounts at Merrill were changed to an address in Lexington, Massachusetts that was not associated with MAR1 or MAR2. Subsequently, MAR1 and MAR2 stopped receiving monthly account statements from Merrill and contacted Campbell.
 25. Campbell informed MAR1 that the address changes were the result of an administrative error by Campbell's assistant and had been corrected and that the LMA had been closed.
 26. Campbell informed MAR2 that the address changes were the result of Merrill's "merger" with BOA.
 27. In or around August 2009, Campbell provided MAR2 with an account statement for MAR2's IRA. This August 2009 statement was on Merrill letterhead and reflected that MAR2 had a balance of approximately seventy-eight thousand dollars (\$78,000) in MAR2's IRA ("August Statement").
 28. Merrill was unable to locate the August Statement in its records. The August Statement was not sent from Merrill and was a forged document [In 2011, MAR2 learned that MAR2's real IRA balance at Merrill as of August 2009 was less than nine thousand dollars (\$9,000)].
 29. In 2009, the Internal Revenue Service ("IRS") contacted MAR2 regarding distributions from MAR2's IRA at Merrill.

30. MAR2 never authorized any distributions from MAR2's IRA at Merrill.
31. Securities in MAR2's IRA were sold to fund at least some of these distributions and the funds from these sales were transferred to MAR2's CMA and used as collateral for MAR1 and MAR2's LMA at Merrill.
32. MAR2 paid taxes in excess of three thousand four hundred dollars (\$3,400) as a result of the unauthorized distributions from MAR2's IRA at Merrill.
33. In 2011, the IRS sent a letter to MAR1 regarding distributions in excess of thirty-five thousand dollars (\$35,000) from MAR1's Roth IRA at Merrill.
34. MAR1 never authorized any distributions from MAR1's Roth IRA at Merrill (MAR1 did not incur a tax event because the unauthorized distributions were from a Roth IRA).
35. Securities in MAR1's Roth IRA were sold to fund at least some of these distributions and the funds from these sales were transferred to MAR1's CMA and used as collateral for MAR1 and MAR2's LMA at Merrill.
36. Between May 15, 2008, and December 23, 2010, Campbell made unauthorized transfers in excess of three hundred thousand dollars (\$300,000) from MAR1 and MAR2's LMA at Merrill, including:
 - a. seventeen (17) transfers totaling approximately sixteen thousand six hundred dollars (\$16,600) payable to BMW Financial Services "f/b/o Greg Campbell";
 - b. twenty (20) transfers totaling approximately one hundred eighty-seven thousand eight hundred dollars (\$187,800) to a Wells Fargo loan account associated with Campbell;
 - c. a transfer of approximately one hundred five thousand two hundred dollars (\$105,200) to the CMA of another Campbell client at Merrill, a thirty-four (34) year-old Boston, Massachusetts resident ("MAR3").
37. On or about October 8, 2010, a letter that purported to be from MAR1 requested the transfer of one hundred five thousand two hundred dollars (\$105,200) from MAR1's LMA to the CMA of MAR1's nephew, MAR3.
38. This letter was not written or authorized by MAR1 and MAR1 has no familial relationship with MAR3.

39. MAR3 had several securities accounts with Merrill.
40. Since at least 2006, Campbell was the registered agent at Merrill for MAR3's accounts.
41. In 2009, pursuant to Campbell's advice, MAR3 opened an LMA at Merrill.
42. Within six (6) months of the opening of the LMA, the address on MAR3's LMA was changed without MAR3's authorization to an address in St. Louis, Missouri, that was not associated with MAR3. MAR3 believed that Campbell owned the property at this address.
43. Between December 21, 2010 and October 27, 2011, Campbell transferred in excess of four hundred eighty thousand dollars (\$480,000) from MAR3's LMA and CMA, including:
 - a. a transfer of approximately one hundred five thousand two hundred dollars (\$105,200) from MAR3's CMA to an account at Investor Title Company, Inc. for the benefit of Campbell;
 - b. twenty (20) transfers totaling approximately two hundred five thousand two hundred fifty dollars (\$205,250) from MAR3's LMA to a Wells Fargo loan account associated with Campbell's St. Louis residence; and
 - c. a transfer of one hundred seventy-five thousand dollars (\$175,000) from MAR3's LMA to MAR1 and MAR2's LMA.
44. Documents received from Merrill reflect that on or about December 21, 2010, a letter that purported to be from MAR3 requested the transfer of one hundred seventy-five thousand dollars (\$175,000) from MAR3's LMA to the LMA of MAR3's uncle, MAR1. This letter was not written or authorized by MAR3 and MAR3 has no familial relationship with MAR1.
45. MAR3 never authorized the transfers listed above from MAR3's LMA and never authorized the transfer of approximately one hundred five thousand two hundred dollars (\$105,200) from MAR3's CMA.
46. Securities in MAR3's CMA were sold and the proceeds from these sales were used as collateral for MAR3's LMA at Merrill.
47. In 2010, MAR3 began receiving statements for an LMA in the name of an eighty-six (86) year-old Florida resident ("FL1").

48. FL1 is a Merrill client who suffers from dementia (cerebral atrophy) and is currently residing in an assisted living center.
49. MAR3 does not know FL1, nor is MAR3 related to FL1.
50. When questioned about the receipt of these statements, Campbell told MAR3 that MAR3 was receiving FL1's LMA statements due to a processing error.
51. Merrill also provided information to the Enforcement Section about FL1. This information revealed that Campbell made unauthorized transfers in excess of one million dollars (\$1,000,000) from an account belonging to FL1.
52. Merrill records revealed that the majority of FL1's funds were transferred from FL1's LMA to a JP Morgan Chase account. This JP Morgan Chase account was associated with a home equity line of credit on a property located in Massachusetts that was owned by Campbell.
53. On October 29, 2011, Merrill terminated Campbell's registration as an agent in Missouri.
54. On November 2, 2011, LPL registered Campbell as an agent in Missouri.
55. In September 2012, Merrill began an investigation of Campbell's activities while at Merrill.
56. On October 23, 2012, LPL began investigating activity in Campbell's client accounts.
57. On October 31, 2012, LPL received a customer complaint from two (2) of Campbell's LPL clients, a sixty-three (63) year-old New Hampshire resident ("NR1") and NR1's spouse, a sixty-two (62) year-old New Hampshire resident ("NR2"). This complaint alleged, among other things, that:
 - a. in September 2012 and October 2012, at least one hundred sixty-six thousand dollars (\$166,000) was transferred or distributed from NR1's accounts without NR1's authorization;
 - b. an account in the name of NR1 was established without the knowledge or consent of NR1; and
 - c. NR1 and NR2's home address was changed on LPL account records.
58. On November 30, 2012, LPL filed a Form U5 with the CRD reflecting that Campbell's registration as an agent with LPL was terminated on October 31, 2012. On Campbell's Form U5, LPL alleged, among other things, that:

- a. Campbell transferred customer funds to Campbell's control without the client's knowledge or consent;
- b. Campbell opened client accounts with documents that contained forged signatures;
- c. Campbell changed customer account addresses without authorization; and
- d. Campbell asserted false familial relationships with clients in statements to the firm.

II. CONCLUSIONS OF LAW

59. The Commissioner finds Respondent in connection with the offer, purchase or sale of securities engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person and engaged in dishonest or unethical practices in the securities business, and that these activities constitute a violation of Section 409.5-501, RSMo. (Cum. Supp. 2011), and constitute grounds to bar, revoke, suspend, condition or limit Respondent's registration in Missouri pursuant to Section 409.4-412, RSMo. (Cum. Supp. 2011).
60. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409, RSMo. (Cum. Supp. 2011).

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

61. Respondent, Respondent's agents, employees and servants, and all other persons participating in the above-described violations with knowledge of this order are permanently enjoined and restrained from offering investment advice, transacting business as an unregistered investment adviser representative, or employing an unregistered investment adviser representative in violation of Sections 409.4-403 and 409.4-404, RSMo. (Cum. Supp. 2011)].

62. Respondent is hereby BARRED from applying for registration as a broker-dealer agent or investment advisor representative in the State of Missouri.
63. Respondent is ORDERED to pay restitution in this matter of one million six hundred thousand dollars (\$1,600,000), as ordered by United States District Court for the Eastern District of Missouri after entry of a guilty plea by Respondent.
64. Respondent shall pay a civil penalty of twenty-five thousand dollars (\$25,000) for at least five violations of Section 409.5-501, RSMo. (Cum. Supp. 2011), against elderly persons. This payment will be suspended provided that Respondent complies with the terms of this Consent Order, and provided that Respondent does not violate the securities act for a period of three (3) years. The suspended payment shall, for three (3) years from the execution of this document, become immediately payable, under operation of law, upon Respondent's failure to comply with the terms of this order, and such immediately due payment shall be in addition to all other penalties then available under the law. The Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409-6-604, RSMo. (Cum. Supp. 2011).
65. Respondent shall pay a civil penalty of ten thousand dollars (\$10,000) for more than one violation against Respondent for violations of Section 409.5-501, RSMo. (Cum. Supp. 2011). This payment will be suspended provided that Respondent complies with the terms of this Consent Order, and provided that Respondent does not violate the securities act for a period of three (3) years. The suspended payment shall, for three (3) years from the execution of this document, become immediately payable, under operation of law, upon Respondent's failure to comply with the terms of this order, and such immediately due payment shall be in addition to all other penalties then available under the law. The Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409-6-604, RSMo. (Cum. Supp. 2011).
66. Respondent shall pay Respondent's own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 4th DAY OF JUNE, 2013.



JASON KANDER
SECRETARY OF STATE

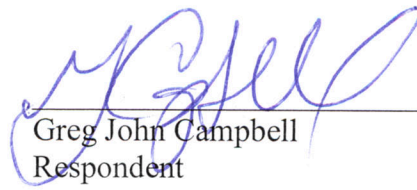
Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

Consented to by:
THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION

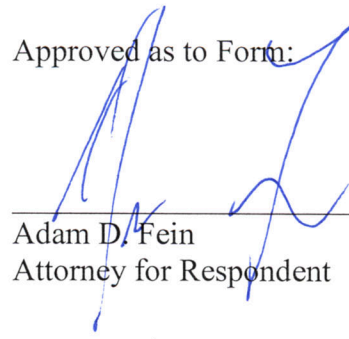
[Signature]

Mary S. Hosmer
Assistant Commissioner of Securities



Greg John Campbell
Respondent

Approved as to Form:



Adam D. Fein
Attorney for Respondent